

TRANSMITTAL

January 18, 2018

To: Senate Committee on Ways and Means  
State Capitol, Room 208  
Honolulu, HI 96813  
Attn: GIA

**RE: The Twenty-Ninth Legislature, Application for Grants**

Please find enclosed:

Quantity	Description
1	Original Grant Request, Grant-In-Aid / Fiscal Year 2019

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House District(s) 26

Senate District(s) 11

THE TWENTY-NINTH LEGISLATURE  
APPLICATION FOR GRANTS  
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): \_\_\_\_\_

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:  
Goodwill Industries of Hawaii, Inc.

Db/a:

Street Address: 2610 Kilihau Street

Mailing Address: 2610 Kilihau Street, Honolulu, HI 96819

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name LAURA D. SMITH

Title President/CEO

Phone # 792-8560

Fax # 833-4943


E-mail LSmith@higoodwill.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

For renovation of Goodwill's Honolulu Career and Learning Center at 1075 South Beretania Street, Honolulu 96814. Renovation will increase capacity to provide workforce development, employment and training services.

4. FEDERAL TAX ID #: 

5. STATE TAX ID #: 

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2019: \$1,000,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$1,000,000

FEDERAL \$ N/A

COUNTY \$1,250,000

PRIVATE/OTHER \$10,750,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE



AUTHORIZED SIGNATURE

LAURA D. SMITH, PRESIDENT/CEO

NAME & TITLE

1/17/18

DATE SIGNED



## Application for Grants

*Please check the box when item/section has been completed. If any item is not applicable to the request, the applicant should enter "not applicable".*

### I. **Background and Summary**

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

#### 1. **Brief Description of Applicant's Background**

A nationally accredited non-profit human service agency, Goodwill Industries of Hawaii (Goodwill) has served Hawaii for 59 years. Goodwill is a trusted partner with a strong statewide presence currently operating over 2 dozen human service contracts, ten retail stores and numerous donor convenience centers; revealing the varied ways in which we work to support the local Hawaii community. Goodwill's mission is to "help people with employment barriers to reach their full potential and become self-sufficient."

Goodwill provides high quality employment and educational services to a diverse base of consumers statewide. Last year, Goodwill's programs served 12,513 Hawaii residents with barriers to economic opportunity such as low incomes, immigrant populations, returning from incarceration, disabilities, lower skills or lack of education and limited work history. Of those served last year, 73% were economically disadvantaged, while 27% had a disability. In addition, nearly 22% had less than a high school diploma; 21% did not speak English as their primary language; and 10% were either homeless or resided in public housing and had no means of support.

Many of our service recipients participate in our programs with a primary goal of obtaining employment. During our most recent program year, 971 individuals were placed into employment statewide. The average wage at placement was \$10.29/hour, with participants working an average of 29.5 hours/week; 70% of those placed were eligible for benefits. Recognizing that credentialing and training programs enable participants to gain skills and position them for higher-wage employment, Goodwill assisted 342 participants to enroll in a credentialing or vocational training program.

#### 2. **Goals and Objectives Related to the Request**

Goodwill respectfully requests a CIP in the amount of \$1,000,000 to complete the renovation of its Honolulu Career and Learning Center located at 1075 South Beretania Street. This location includes a wide variety of human services programs supported by a retail store, and donations center and processing operation that supports our programs. The location requires extensive renovation to improve its facilities and increase our capacity to provide services. A portion of the first floor is currently outdoors and exposed to the elements. Additionally, we plan to add a second floor to the

building. These renovations will expand the space efficiency of the mission services programs, which will allow us to increase the capacity enabling more individuals to be served annually. Additionally, the renovation will expand the retail store, providing more retail employment opportunities to those who need work experience, and a sustainability factor to allow the organization to meet its operating requirements to sustain center operations.

The results will be a highly functioning mission services program venue consisting of classrooms, learning labs, interview rooms and staff areas. It will increase Goodwill's capacity to provide skill-building, training and job counseling; support adults pursuing higher education and career development; feature a state-of-the-art computer lab for learners and job seekers; provide youth with academic support and vocational planning; make available community meeting space, retail store and donation center and more.

In 2017, Goodwill served 3,000 individuals at its Center and our expected projections show that services may increase to double that amount by 2025. With the center located in a high density area of Honolulu, we already sustain foot traffic in our retail store of over 100,000 visits by the community annually. Also key to the expansion will be the addition of 20 new jobs at the center, providing needed entry-level employment, and the accompanying skills development, to low-income individuals.

Land and building acquisition at the site was completed in 2014. The cost to purchase the property was \$8 million dollars, paid for entirely by Goodwill Hawaii. Since that time, the organization has been engaged in the planning and pre-construction phases of the renovation. We are now ready to break ground for construction.

The total cost of construction is estimated at \$13 million dollars. Based on the construction budget, Goodwill has launched a capital campaign with a goal of \$9 million dollars, and to demonstrate its commitment, Goodwill has committed \$3 million dollars of its operating funds towards the project. The capital campaign is 52% complete, having raised \$4.6 million dollars, and continues to progress towards its \$9 million dollar goal that is being secured through corporations and private foundation grants as a part of its capital campaign.

To finance the remaining portion of construction, Goodwill Hawaii had planned to utilize a 30-year fixed Special Purpose Revenue Bond. Plans changed however, when federal tax-reform proposals planned to eliminate a 501-C-3's eligibility to use private bond funding. Although, the final passage, left this provision intact, Goodwill had to adjust its financing plan due to the delay this caused, as well as bond interest rates rapidly increasing. In re-evaluating bond financing, this impacted the organization by an additional \$156,000 annually, or \$4.6 million dollars over the life of the bond. As a result, Goodwill determined to utilize local bank financing, and was able to obtain a lower interest rate for financing to complete the project. This guarantees, the project will be completed in an expeditious manner.

The request for a \$1 million dollar CIP would assist us to complete our funding, and avoid the additional \$4.6 million dollar expense. The CIP request for a \$1 million appropriation is 7.5% of the total construction budget.

One item of note is that Goodwill Industries of Hawaii does not request GIA-Operational funding from the Legislature, providing for its own budgeted requirements through its social enterprise retail store. We rarely request a GIA-CIP such as this, and only do so to complete construction for large scale projects beyond our normal operational means. Once the project is complete and the building operational, Goodwill is able to sustain its own operating costs for the facility,

**3.  Public Purpose and Need to be Served**

Goodwill Industries of Hawaii's programs result in job placement and retention. Programs support participants to acquire education and training that will position them to move up a career pathway, thus increasing their overall wage potential. The benefits of employment and financial literacy reach beyond the working individual to families and community. According to the 2015 American Community Survey, one in eight children under 18 in Honolulu (13%) live in poverty. When one or both parents attain secure employment – at a livable wage to meet basic needs – numerous benefits are realized, including: increased stable and safe housing, enhanced access to public health insurance coverage and health care services, and improved nutrition and child development.

Job growth of 10.5 percent on Oahu is projected through 2020. This necessitates effective workforce development programs that assist residents to develop the skills necessary to enter the labor force. The population served by Goodwill's Beretania Career Center experiences an array of employment barriers, including low-income, immigrant populations, recent incarceration, disabilities, lower skills or a lack of education, and limited work history. The convergence of low-income levels, projected job growth and low unemployment create a need for the expansion of services provide at this location.

The renovated Career Center will include the following components:

- Technology-equipped classrooms for skill building, career development and training
- A state-of-the-art computer lab for learners and job seekers
- Multi-media equipped training rooms
- Competency-based program and vocational planning for youth
- Retail store and donation center – creating employment opportunities

The Career Center renovation will also yield a community space that can serve more Honolulu residents and develop the surrounding neighborhoods to be stable communities for families to thrive. Strengthened families lead to strong communities, which can break the inter-generational cycle of poverty and position these children and youth for success.

Safety net services exist to address basic needs during difficult economic times. These programs, however, are not a solution to poverty. Enabling individuals and families to obtain financial independence requires efforts to improve their job readiness and assist them in securing long-term employment. Goodwill's Career Center will serve as the local "hub" of these career pathway efforts for the communities served by the Center, providing a collaborative space wherein participants can access Goodwill's evidence-based job training programs, be supported to continue their education, and network with employers that align with their career goals. Goodwill's planned renovations of its

Honolulu Career and Learning Center will increase the space available for programs, thus enabling more participants to receive Goodwill's effective and much needed services.

**4.  Target Population to be Served**

In the communities served by the Honolulu Career Center, unemployment is high and the per capita income is slightly less than the State average. The percentage of young children and senior citizens living in poverty is high; apartment and condominium living is the norm where less than one-third of the housing units are owner-occupied. This area is ranked second-highest in the State for percentage of recent immigrants.

We find some trends in the characteristics of those people served by the center. Of the nearly 3,000 individuals served in 2017 at the Honolulu Center, more than one-third (35%) had a disability, while one in six (16%) had multiple disabilities. Approximately 26% had less than high school education. 20% relied on family as their primary means of support, and 36% were dependent on public assistance; 18% served report no means of support. While the center serves individuals between the ages of 15 and 65 years old, 66% of participants were female, between the ages of 21-39 years old.

**5.  Geographic Coverage**

Approximately 70% of the State's population resides in Honolulu County. The Goodwill Honolulu Career Center is centrally located and in close proximity to several densely populated urban neighborhoods, as well as primary business districts on Oahu. It is in the vicinity of Kaka'ako, a community undergoing substantial residential and business expansion.

Because of the centralized location of the center, people accessed services from a wide variety of communities including: Makiki; McCully, Punchbowl, Kalihi, Palama, Paolo, with others coming from Kailua, Kaneohe, Waimanalo, and the Salt Lake, Moanalua areas. Of the two largest zip codes represented in the Honolulu participant population, 60% report income below the poverty level. The specific zip code of Goodwill's Honolulu office – 96814 – has a lower median household income as compared to the State. Thus the area served by this Center encompasses a wide expanse of Honolulu and low-income communities, indicating the strong need to expand the capacity of this facility to serve an increased number of Hawaii's residents and help them to achieve economic stability for themselves and their families.

**II. Service Summary and Outcomes**

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request.

**1.  Scope of Work, Tasks and Responsibilities**

The scope of work is to complete construction and renovate Goodwill's Career and Learning Center, located at 1075 South Beretania Street. Specifically, this will include the following components:

- Enclosure under roof of the entire first floor
- Construction of a second story
- Re-design of the Mission Services program space
  - Classroom and meeting areas
  - Computer Lab, including open hours for résumé preparation and job search
  - Office space
- Renovation of restrooms and other common areas for ADA access
- Renovation and re-design of the retail store
- Renovation of warehouse and production areas
- Employee-friendly lunch and break space
- Community meeting space

When complete, the renovations will have expanded and improved the design and use of space for both the retail store and mission services program offices, and will immediately increase the capacity of Goodwill's Mission Services by 10%, enabling more individuals to receive skills training and career development services; for a total of 3,300 served the year following renovations. Additionally, the renovations will utilize state-of-the-art retail store layout and functional design concepts to optimize retail sales, yielding more in net annual revenue returned to the organization to support its mission service programs operations.

The project is overseen by Goodwill Hawaii's President and CEO, Laura Smith, and its Board of Directors. Katy Chen, Goodwill's Chief Operating Officer, has administrative responsibility over the project including the design and construction phase, with attention to timeline and budget. Ushijima Architects, Inc. (UAI) is managing the design phase of the Career Center renovation. Goodwill will be conducting a bid process to hire a construction management firm and a general contractor. Construction-related services provided by UAI include construction administration and project management.

## 2. Projected Timeline

In 2014, Goodwill purchased the properties (two contiguous lots) on which the Honolulu Career and Learning Center is located.

The projected timeline for renovation construction will be of 24-months duration and consist of the following phases of activity:

- Planning and Design: Completed
- Building Permitting: Preapproval of permits is completed with the City and County, Department of Planning and Permitting. Final Building permits are being completed for submission shortly.
- Construction (Start): Fourth Quarter 2018
- Construction (Complete): December 31, 2019.

3. **☑ Quality Assurance and Evaluation**

Goodwill has instituted comprehensive quality assurance systems and an established methodology to ensure we are providing high quality services and meeting and/or exceeding contract and other legal requirements. For our programs, Goodwill routinely conducts internal audits and onsite reviews; while also providing guidance and consultation with staff in order to improve and enhance program effectiveness.

Evaluation of the construction outcomes will be completed as part of the project's management. Ongoing assessment of construction progress compared to projected budget and timeline will allow Goodwill to identify any potential delays and develop strategies to ensure the project is completed on-time and on-budget. Regular inspections will be done to gauge the project's completion, and a punch list will be utilized to identify any pending work to be completed.

An active Board of Directors that is made up of a wide range of professions, businesses and community members governs Goodwill and is responsible for quality assurance and evaluation oversight.

4. **☑ Measures of Effectiveness**

Goodwill proposes two (2) categories of measures of effectiveness to enable the State to assess the impact of the requested funding. The Process Measures will assess the implementation of the project and its progress towards envisioned outcomes. The Outcome Measures will assess the project's effectiveness in meeting the objectives.

The Process Measures are:

- Successful completion of the capital campaign within the projected timeframe
- Construction Punch List progress – project within timeline
- Financial Metrics – project within budget
- Participant and Partner Community Outreach

The Outcome Measures will assess successful completion of the renovation project within the scheduled timeline and budget; as well as the impact on Goodwill's mission services programs, as it is purported the facility renovation will enable these programs to both expand their capacity and improve the quality of services. The Outcome Measures include:

- Final inspection / Certificate of Occupancy
- Increase in annual number of individuals served by Honolulu Career Center programs
- Percentage of participants who complete their training courses
- Percentage of participants placed into employment
- Number of young adults who obtain their competency-based diplomas
- Continued and various measures of community satisfaction



### III. Financial

#### **Budget**

The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.

1.  **Budget Documents (See Attached)**
  - a. Budget request by source of funds ([Link](#))
  - b. Personnel salaries and wages ([Link](#))
  - c. Equipment and motor vehicles ([Link](#))
  - d. Capital project details ([Link](#))
  - e. Government contracts, grants, and grants in aid ([Link](#))

2.  **Anticipated Quarterly Funding Requests – FY 2019**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$500,000.00	\$250,000.00	\$150,000.00	\$100,000.00	\$1,000,000.00

3.  **Other Sources of Funding – FY 2019**

The entire construction project will cost \$12.9 million dollars. As mentioned earlier, Goodwill has provided an equity injection of \$3 million dollars to support the project, and has launched a capital campaign with a goal to raise \$9 million dollars. To date we are at 52% of goal, with \$4.6 million dollars raised. Goodwill will utilize a bridge construction loan to provide a source of financing while capital campaign pledges are being received.

A capable board of directors is leading the capital campaign with board members Gwen Yamamoto Lau and Amori Ogata serving as Capital Campaign co-chairs. The active campaign leadership committee meets monthly to develop and implement campaign strategies as well as continually assess progress towards the goal.

4.  **Tax Credits**

Not Applicable.

5.  **Listing of Government Contracts, Grants or Grants In Aid**

See attached Budget Document, titled: Government Contract and/or Grants (page 9).

6.  **Balance – Unrestricted Current Assets**

Goodwill is a fiscally responsible organization structured with internal financial operating policies and controls meeting the highest standards of fiscal accountability as mandated by our mission. Agency by-laws mandate prudent policies and procedures accounting for fiscal integrity in accounting practices, financial reporting, and annual independent audits of operations and financials. Agency

financial reviews and operations are mandated for compliance with established financial policies governing strong financial reporting focused on budgeting, guidelines for management of cash and cash reserves, procurement policies, accounting of physical assets and properties, and financial reporting to governing authorities.

The agency currently operates with a \$30 million dollar annual budget. GIH is audited annually by an outside CPA firm with both a fiscal audit and an A-133 Single Audit. No findings have been cited nor have any management letters been issued for any discrepancies or internal control deficiencies.

Our agency understands the potential high cost associated with capital improvement projects both large and small and has experience in working with our partners to assist with obtaining initial capital funding. We work cooperatively to identify reasonable steps in the financial funding of the startup process with mutual agreement to support prudent capital outlay, providing options processes of leasing versus purchase of major equipment requirements, and other negotiated terms and conditions that may assist with minimizing overall financial funding requirements where possible.

The balance of Goodwill's unrestricted current assets, as of December 31, 2013, is \$8,484,377.

Each year, a certified public accounting firm audits Goodwill's accounting system and financial statements. For the calendar year ending December 31, 2016, Goodwill received an unqualified audit opinion reflecting the soundness of the accounting system and financial records. In addition, we have been designated a "low-risk" auditee, which indicates we have had no findings for over a three-year consecutive period. In fact, Goodwill has had no audit exceptions and no findings or reportable conditions in over a 10-year period, indicating we hold to the highest accounting standards.

To assure fiscal stability within our organizations, we apply several ratios to our financial performance:

- a. The "Current Ratio" reflects whether a business is able to meet its current obligations. The standard ratio for a healthy business is 2.0. Goodwill's current ratio is 3.46.  
The "Net worth Ratio" indicates how much a business is leveraged (in debt) by comparing what is owed to what is owned. Goodwill's net worth ratio is at a healthy .71.

Goodwill maintains a stable and healthy financial position which allows it to take on a construction project of this size and scope.

#### **IV. Experience and Capability**

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

1.  **Necessary Skills and Experience**

In addition to its depth of experience in administering its retail store, recycling and donated goods operations, various service contracts and mission services contracts and programs, Goodwill has significant experience in managing construction / renovation projects for its facilities. Within the past three years, Goodwill successfully managed the following projects, exemplifying its expertise in renovating both retail and mission services office space:

- **Renovation and Repurposed Occupancy Certificate for the O’hana Career & Learning Center, Kapolei:** One of Goodwill’s recent initiatives was to start a Public Charter School. Kapolei Charter School opened its doors in August 2017, after being approved by the State Charter School Commission. Utilizing our 2 acre campus in Kapolei meant repurposing space for classrooms, lunch facilities and student recess areas. This was accomplished by our facilities team, and the required new Certificate of Occupancy completed prior to the start of classes.
- **Retail Store Renovation Projects:** To keep an updated and fresh appearance in our stores, periodically they undergo renovation and rebranding. In 2016-17, we completed this process for 5 stores statewide. Renovations included removal and installation of walls; installation of infrastructure for HVAC, lighting; flooring, as well as new branding signing and customer improvements. No public funds were used.
- **Kapolei Photovoltaic Project, Honolulu:** Installation of photovoltaic system at our Kapolei location which included roof repairs to recoat and reseal prior to the installation of photovoltaic panel and its system. Included selection and negotiation of a third-party energy agreement. Public funds through a CDBG were utilized for this project.

2.  **Facilities**

GIH manages its own facilities which number 25 locations statewide. Goodwill operates multiple facilities in support of our human service programs as well as retail donated goods store operations. Current agency operations include facilities managed by the organization on 4 major islands within the State of Hawaii.

Dedicated facilities staff manage our facilities through computerized software systems that track maintenance and repair requirements from start to completion. An internal maintenance team supports all facility maintenance requirements inclusive of facility cleaning as well as maintenance work requirements.

Goodwill’s facility management program include preventative and remediation programs to cover a wide range of equipment including HVAC systems, balers, other heavy equipment, as well as managing a fleet of vehicles requiring CDL licensing. Other services include: custodial, landscaping, minor repairs

for painting, plumbing and electrical and coordination of major projects. Also a part of the program are conservation and energy efficiency initiatives.

Facility spaces range from a small attended donation center, to a free standing 2.7 acres property comprised of a 32,000 sq. foot building with common area grounds and overall facility requirements.

Additionally, when maintenance is extensive, we use our positive and long term relationships with vendors to support maintenance and preventive maintenance needs.

## V. **Personnel: Project Organization and Staffing**

### 1. **Proposed Staffing, Staff Qualifications, Supervision and Training**

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

Goodwill's President and Chief Executive Officer, Laura Smith, has been with Goodwill since 1982. Ms. Smith holds a Master's degree in Rehabilitation Administration, is a certified rehabilitation counselor and a certified Goodwill executive. She is also active in community efforts, serving on the Board of Directors of Goodwill Industries International, and the Hawaii Association of Non-Profit Organizations. Laura Smith and Goodwill's Board of Directors will provide project oversight of the Honolulu Career Center renovation, ensuring all requirements are adhered to and Goodwill remains compliant with applicable rules and regulations. Specific responsibilities will be delegated to the Executive and Finance Committees of the Board.

Katy Chen is Goodwill's Chief Operating Officer, responsible for overseeing Goodwill's mission Services, Facility and Risk Management, Human Resources, Information Technology and Marketing Departments. Her purview includes overseeing property management of over 40 locations, lease negotiations and safety. Ms. Chen has 15 years' experience as a senior leader of non-profit organizations and is also an attorney, licensed to practice in Hawaii. Ms. Chen will have day-to-day responsibility of the renovation project, coordinating communication, ensuring timelines are adhered to and addressing any issues that may arise.

Goodwill's Accounting Department is led by Vice President of Finance and Chief Financial Officer, Carol Taira. Ms. Taira holds a Bachelor of Business Administration, Accounting, from the University of Hawaii, and is a Certified Public Accountant. She has served as Goodwill's VP of Finance and CFO since 2005, previously serving as the Director of Finance and I.T. Ms. Taira is responsible for the financial management, preparation and analysis of financial statements, preparation of annual budgets, compliance with State and Federal reporting requirements and contractual reporting and compliance.

Collectively, Goodwill's Executive leadership Team has the requisite knowledge and experience to provide oversight of the renovation project. Knowledge and experience in the spectrum of

construction / contract management, personnel and financial requirements position Goodwill's team to successfully implement the renovations. It has successfully completed similar projects in scope and will apply the same standards of quality and efficient resource use to the Honolulu Career Center Project.

**2.  Organization Chart**

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

See attached Organization Chart.

**3.  Compensation**

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

<b>Position</b>	<b>Employee</b>	<b>Annual Salary</b>
President/CEO	Laura Smith	\$208,000
Chief Operating Officer	Katy Chen	\$140,000
Chief Financial Officer	Carol Taira	\$130,000

**VI. Other**

**1.  Litigation**

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

There is no pending litigation.

**2.  Licensure or Accreditation**

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

Goodwill has been fully accredited by The Commission on Accreditation of Rehabilitation Facilities (CARF), which sets national standards for programs serving people with disabilities, for over 30 years. An organization undergoing CARF accreditation is scrutinized on the quality of services it provides to persons with disabilities and economic disadvantages. In July 2016, Goodwill was again awarded a three-year accreditation, the highest level of accreditation attainable. Goodwill's national certification in human services shows our commitment and validates the high quality of the program services delivered to Hawaii's residents.

3.  **Private Educational Institutions**

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see [Article X, Section 1, of the State Constitution](#) for the relevance of this question.

The grant will not be used to support or benefit a sectarian or non-sectarian private educational institution.

4.  **Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2018-19 the activity funded by the grant if the grant of this application is:

- a. Received by the applicant for fiscal year 2018-19, but
- b. Not received by the applicant thereafter.

Goodwill Industries of Hawaii operates a retail store, production area, and mission services offices at its Beretania Street property. Thus the operational costs for the Center, including deferred maintenance, are already addressed in the organization's operating budget. Further, Goodwill is a unique non-profit as the net revenue from its retail operations is used to support its mission services. Using this social enterprise model, Goodwill is able to earn a large portion of its operating revenues through its retail sales. The renovation of the Honolulu Career Center will optimize the space for its retail store and donations operations to create a state-of-the-art retail space and production area. The improvements in the retail store's design and function will yield more in net annual revenue, which will be cycled back to support its expansion of its mission services programs.

5.  **Certificate of Good Standing**

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2017.

See attached Certificate of Good Standing for the DCCA.

6.  **Declaration Statement**

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes. ([Link](#))

See attached Declaration Statement.

7.  **Public Purpose**

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. ([Link](#))

The grant shall be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes.

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2018 to June 30, 2019

Applicant: Goodwill Industries of Hawaii, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>				
<b>B. OTHER CURRENT EXPENSES</b>				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>				
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>	1,000,000	0	1,250,000	10,750,000
<b>TOTAL (A+B+C+D+E)</b>	1,000,000	0	1,250,000	10,750,000
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	1,000,000	Carol Taira	808-792-8572	Phone
(b) Total Federal Funds Requested	0			
(c) Total County Funds Requested	1,250,000		Jan 17, 2018	Date
(d) Total Private/Other Funds Requested	10,750,000	Signature of Authorized Official		
<b>TOTAL BUDGET</b>	13,000,000	Laura Smith, President/CEO		
		Name and Title (Please type or print)		

## BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2018 to June 30, 2019

Applicant: Goodwill Industries of Hawaii, Inc.

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
N/A				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				



## BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2018 to June 30, 2019

Applicant: Goodwill Industries of Hawaii, Inc.

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
N/A			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
N/A			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2018 to June 30, 2019

Applicant: Goodwill Industries of Hawaii, Inc.

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2016-2017	FY: 2017-2018	FY:2018-2019	FY:2018-2019	FY:2019-2020	FY:2020-2021
PLANS	0	0	0	0	0	0
LAND ACQUISITION	0	0	0	0	0	0
DESIGN	0	0	0	0	0	0
CONSTRUCTION	1,000,000	7,600,000	1,000,000	3,400,000	0	0
EQUIPMENT	0	0	0	0	0	0
<b>TOTAL:</b>	<b>1,000,000</b>	<b>7,600,000</b>	<b>1,000,000</b>	<b>3,400,000</b>	<b>0</b>	<b>0</b>
<b>JUSTIFICATION/COMMENTS:</b> 1. The total project renovations \$13 million. 2. To date, Goodwill has raised \$8.6M (66%) through a mix of its capital campaign and self funding. 3. Goodwill is requesting a \$1M GIA-CIP (7.6%). Remaining funds to be raised are \$3.4M (26%).						

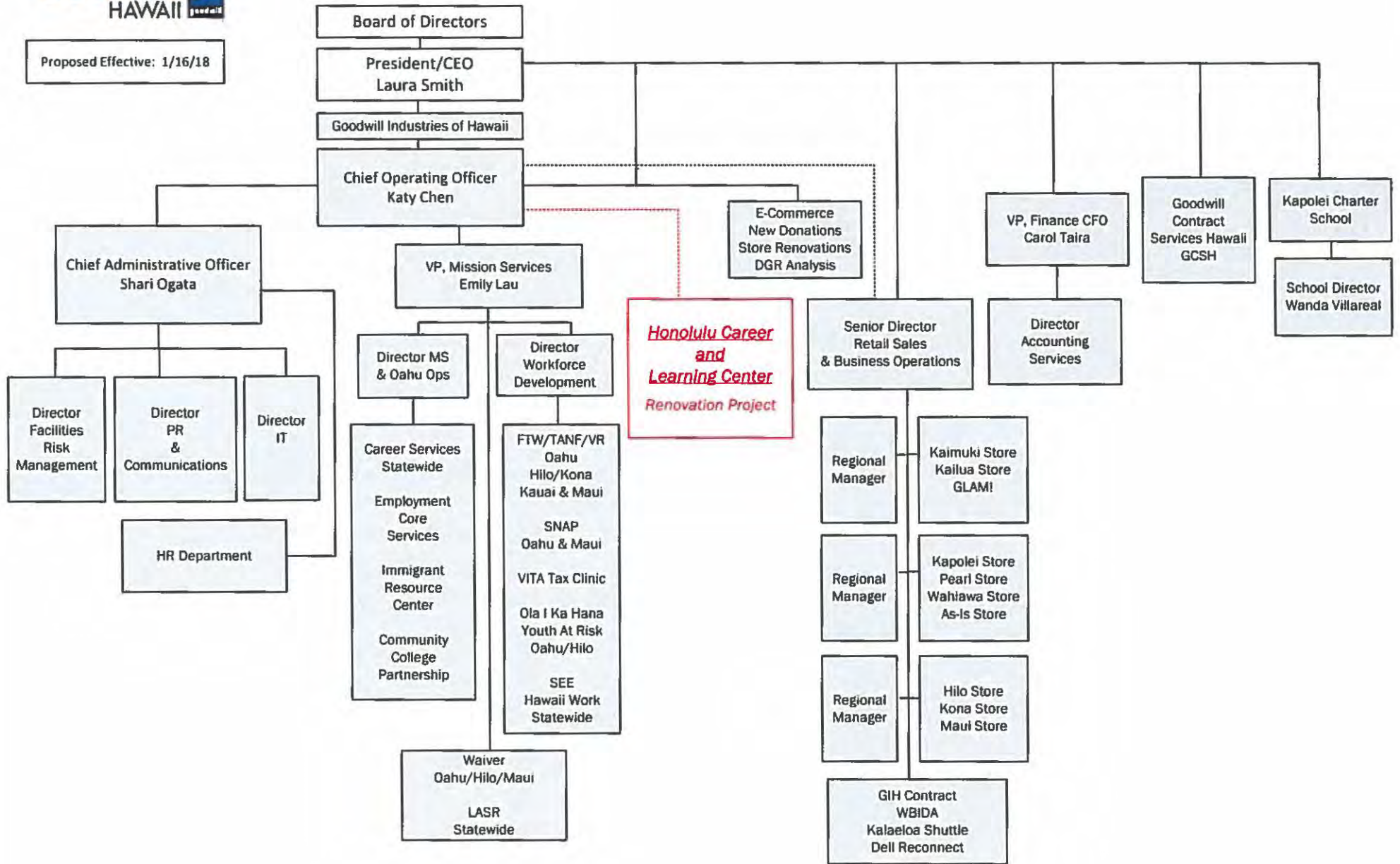
## GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Goodwill Industries of Hawaii, Inc.

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau )	CONTRACT VALUE
1.	Provide Case Management, Vocational Rehabilitation, Employment and Support Services for Temporary Assistance for Needy Families (TANF) Households	July 1, 2015 to June 30, 2018	Department of Human Services, Benefit, Employment and Support Services Division	State of Hawaii	\$4,500,000 per year (Statewide)
2.	Provide Supporting Employment Empowerment (SEE) Program Services for Temporary Assistance for Needy Families (TANF) Families Statewide	July 1, 2015 to June 30, 2018	Department of Human Services, Benefit, Employment and Support Services Division	State of Hawaii	\$1,700,000 per year (Statewide)
3.	Maintenance of Effort (MOE) Contract for Positive Youth Development Program for At Risk Youth	January 1, 2018 to December 31, 2018	Department of Human Services, Benefit, Employment and Support Services Division	State of Hawaii	\$100,000 per year
4.	Employment Services for Low-Income Persons and Legally Permanent Residents	October 1, 2017 to September 30, 2018	Department of Labor and Industrial Relations, Office of Community Services	State of Hawaii	\$476,350 per year (Oahu, Hawaii and Maui)
5.	Employment Services for Inmates at Correctional Facilities Statewide	May 1, 2016 to April 30, 2018	Department of Public Safety	State of Hawaii	\$500,000 per year (Oahu, Hawaii, Maui and Kauai)

	<b>CONTRACT DESCRIPTION</b>	<b>EFFECTIVE DATES</b>	<b>AGENCY</b>	<b>GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau )</b>	<b>CONTRACT VALUE</b>
6.	Volunteer Income Tax Assistance (VITA) Matching Grant Program	July 1, 2016 to June 30, 2018	Department of the Treasurer – Internal Revenue Service	U.S.	\$24,500 per year (Statewide)
				TOTAL	<u>\$7,300,850</u>

Proposed Effective: 1/16/18





## Department of Commerce and Consumer Affairs

### CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

**GOODWILL INDUSTRIES OF HAWAII, INC.**

was incorporated under the laws of Hawaii on 06/04/1959 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 17, 2018

Director of Commerce and Consumer Affairs


**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS PURSUANT TO  
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
  - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
  - c) Agrees not to use state funds for entertainment or lobbying activities; and
  - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
  
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is incorporated under the laws of the State; and
  - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
  
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
  - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
  - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Goodwill Industries of Hawaii, Inc.  
(Typed Name of Individual or Organization)  
 \_\_\_\_\_  
(Signature) 1/17/18  
\_\_\_\_\_  
(Date)

Laura D. Smith President/CEO  
(Typed Name) (Title)